STUDY OF SOCIO-ECONOMIC IMPACT OF KISAN CREDIT CARD (KCC) ON BENEFICIARIES IN JHARKHAND.

A CASE STUDY OF DHANBAD DISTRICT

A

Synopsis

Submitted for the enrolment as a Research Scholar

For the degree Doctor of Philosophy (Ph.D.)

In the university of B.B.M.K.U. DHANBAD (JHARKHAND)

Supervisor:

Dr. L.B. Paliwar

(Assistant Professor)

Submitted by:

Shanbhu Kumar Rawani

(Research Scholar)

University Department of Commerce B.B.M.K.U. Dhanbad, Jharkhand

CONTENTS OF SYNOPSIS

1. INTRODUCTION
2. REVIEW OF LITERATURE
3. NEED OF RESEARCH
4. RESEARCH OBJECTIVES
5. HYPOTHESIS
6. RESEARCH DESIGN AND METHODOLOGY
7. SIGNIFICANCE OF PROPOSED WORK
8. CHAPTERIZATION
9. BIBLIOGRAPHY

INTRODUCTION

The Kisan Credit Card (KCC) program was established in August 1998 by the Indian Government Bank. National Bank for Agriculture and Rural Development (NABARD) drafted it in response to a request from the R.V. Gupta committee to provide term loans for farming purposes. Achieving the complete and comprehensive credit needs of the agricultural sector in order to provide financial assistance to farmers is its primary objective. Participating banks include state cooperative banks, RRBs (Regional Rural Banks), and all commercial banks. There are agricultural and term loan limitations on the scheme's short-term credit. Officials from KCC Credit cover risks up to ₹50,000 in the event of death or permanent disability and up to ₹25,000 in the case of other risks. An equal and opposite premium is payable by the lender and the borrower. There are two varieties of the Kisan Credit Card (KCC) that farmers may use: cash credit and other forms of credit. (To fund working capital), term loans, (To finance capital expenditures). An announcement published on August 26, 2019, said that the Reserve Bank of India (RBI) will provide a 2% interest rate subsidy to farmers who use the Kisan credit card for short-term loans up to ₹2, 00,000 for animal husbandry and fisheries. Loans up to ₹2, 00,000 may be used by the Kisan Credit Card (KCC) Farmer at a concessional interest rate of 70%. The interest rate for farmers that paid back their loans in whole and on time from 2018 to 2019 will be reduced by an extra 3%. For the 2018–2019 and 2019–2020 fiscal years, farmers who have been good with their loan payments are eligible for short-term loans from the Reserve Bank of India, offered at 4.7 percent per year. The interest rate subsidies for loans issued to up to ₹2, 000, 00 farmers who are already cardholders with kisan and involved in fishing and creature farming may, in any case, be likely to such measures. In case of farmers possessing Kisan Credit Card (KCC) for raising crops and including in activities related to animal husbandry/fisheries, the Kisan Credit Card for animals husbandry/fisheries shall be within the overall limit of ₹3, 00,000. In his 100 days in office, Narendra Singh Tomar, asked all states to launch a kisan credit card-based "smart village drive" with the goal of reaching one crore beneficiaries. The three main programs of the federal government—the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan), a pension program for small and marginal farmers, and the kisan credit card program—were discussed during his discussion with the agriculture committee. To have the PM-Kisan benefit sent quickly to their financial balances for the time of April to July 2019, the Agriculture Minister has asked all states/UTs to accelerate the time-linked registration procedure.

REVIEW OF LITERATURE

It is well-known that the literature review is an integral part of producing research papers, theses, and synopses. Past study in a given area serves as a compass for our current endeavours while also paving the way for exciting new avenues of inquiry in the years to come.

A. Kumar, A., Kumar, A., Yadav, C., S. J., & Kumar, S. (2011): the Kisan Credit Card (KCC) reviewed progress, performance, and established a Nationalized Agriculture Bank (RRB) in 1975 and a Kisan Credit Card scheme in 1982, by a recommendation made by the All India Rural Credit Survey Committee in 1954, nationalised by the Major Commercial Bank in 1969 and in 1980. The scheme was launched with a 0.8 million Kisan credit card in 1998-99. The system was consistently advanced and around 94 million credit cards from Kisan (KCC) were issued by various banks across the country until 2009/2010. In semi-log, the growth rate has been calculated. The study found that Kisan Credit Card (KCC) is very popular and successful as a financial product.

Parwate, P., Sharma, M. L., & Maske, M. (2012): Kisan Credit Card (KCC) usage pattern analysis for farmers in Chhattisgarh District of Raipur, where Table No. 1 shows the distribution of respondents using the Kisan Credit Card (KCC) (n=120), and Table No. 2 shows the distribution of respondents using the Kisan Credit Card among various types of farmers (n=160), with regard to the different elements. In order to boost the use of the Kisan Credit Card (KCC) among skilled farmers in various regions, the overall utilization rate was 69.60%.

Sharma, A. & Swarnakar, and V. K. Sharma, A. (2013): The purpose of this research was to examine the impact of the Kisan Credit Card Scheme on farmers residing in the Asta block of the Schore district in Madhya Pradesh. In light of the rise in income, 75.28% of the wheat crop was harvested, while 66.78% of the benefit farmers adopted the practice, and 46.75% did not. The study used a survey approach to randomly choose 120 recipients out of 3,750 for the aim of the research. Interviews were also carried out. With 34 beneficiaries, the end result is an increase in income of about 28.33% between ₹6, 0001 to ₹75,000. It is worth mentioning that over half of the recipients were making a respectable salary ranging from 75,000 to 125,000 rupees.

Marichamy, K., & Aananthi, N. (2014): this study based on Kisan Credit Card -A Boom to Small Farmer in India. Reviewers hailed the Kisan Credit Card Scheme (KCC) as a

watershed moment in rural credit in India. Aims of the research include comparing loans that do not need a Kisan Credit Card (KCC) against those that do, as well as analyzing the costs of using a KCC and determining whether or not the card is enough. The Ministry of Agricultural Department, in partnership with the Revenue authorities, organized a camp at the village/panchayat level at the end of March 2013. Twelve thousand nine hundred and twenty farmers took advantage of bank loans through the Kisan Credit Courses program.

Dwivedi, S., Sunder, S., & Sharma, P. K. (2015): Kisan Credits Card (KCC) input research effect scheme: Non-Basmati Rice Crop Economic Review. Input use: The study was carried out in the 2012–2013 academic year in the R.S. pura block of the Jammu district in the state of Jammu and Kashmir. In 2012–13, the total cost of production in the Pura Block was 42,944.71 per hectare for KCC beneficiaries and 40,076.74 per hectare for non-KCC beneficiaries. This equates to 40.50 quintals per hectare for KCC beneficiaries and 37.51 quintals per hectare for both KCC and non-KCC beneficiaries. Receivers of the Kisan Credit Card (KCC) and those who did not received a net benefit of 24,120.11 per hectare. The impartial t-test has shown that there is a significant difference in the expenses for all entries between farmers who get Kisan Credit Cards (KCCs) and those that do not. Finally, the Kisan Credit Card customer saw an improvement in efficiency and benefit increase compared to the other card bearer.

Prakash, P., & Kumar, P. (2016): An analysis of the Kisan Credit Card (KCC) Scheme's (KCC) impact on the Krishnagiri district's (TN) agricultural sector is shown here. We utilized the Logit capability and the Garrett Positioning Strategy fabricating apparatus for Cobb-Douglas to get the important data from 120 farmers who were interviewed. It was shown that recipient farmers had a higher rate than non-beneficiary farmers. The cost of farming paddy, sugarcane, or groundnut, as well as the net revenue per hectare, suggested that there needed to be a significant number of bank branches in rural areas. Some practical approaches to enhance the Kisan Credit Card program and address the issues encountered by recipient farmers include reducing paperwork, increasing the crop credit maximum, making ATMs more versatile in terms of bank branches, withdrawal amounts, and repayment schedules (KCC).

Ganaie, N. A., & Rupavath, R. (2017): The study gathered primary and secondary data from Shopian, Pulwama, Baramulla, Bandipory, and Kulgam in the state of Jammu and Kashmir over the course of fourteen months to examine the impact of the Kisan Credit

Card on socioeconomic life. An analysis was conducted using SPSS software on the responses of 336 respondents to a questionnaire that was designed to measure the selected objective. The results showed an immediate connection between financial upliftment and the Kisan Charge card. 93% of recipients have seen improvements in their socioeconomic status, and many have offered suggestions, such as making recipients more aware of the interest rates they'll be charged, providing more clear instructions before extending credit, and suggesting that each recipient be assigned a bank counsellor for ongoing support.

Gupta, B. V., Singh, B., & Ranjan, R. (2018): The study analysed Kisan Credit Card's economic evaluation in Bhabua, Bihar district, India. Researchers drew on primary and secondary sources to compile their findings on the number of Kisan Credit Cards (KCCs) issued and the funds collected from the Lead Bank District. The results show that the percentage of Kisan credit cards (KCC) issued grew by 393.38% and the percentage of authorized amounts climbed by 250 percent when comparing essential improvement information, income, credits, pay-backs, interest, and getting costs of 60 KCC cardholders and 60 Non-KCC cardholders. In contrast with the Kisan charge card, the average credit cost for the other categories was greater. The credit gap in Kisan Credit Card was smaller than that of a non-Kisan card class. In addition, the Kisan credit card system should cover all farmers who help cover the costs of the credit and receive the credit correctly.

Nagaveni, M., & Devegowda, S. R. (2019): This study is attempt to know the status of Kisan Credit Card (KCC) performance in CHIKKABALLAPUR district of Karnataka. Using data from both the Kisan and non-Kisan credit card holders, this study compares and contrasts the impact of the credit framework and capital sufficiency on four significant yields: tomatoes, mizuna, potatoes, and groundnuts. It also examines the differences in operating costs, material costs, loan adequacy, and credit. For the other three crops, there is a good match between the Kisan cardholder and the non-Kisan cardholder in terms of crop adequacy.

Suryavanshi, A. G. (2020): This paper concentrates primarily on the contribution by financial incorporation in the Indian Kisan Credit Card (KCC) scheme. In Indian economy the development of agriculture Indian farmers need financial support to cultivate the land and provide agriculture product towards nation. According to RBI, the interest rate and credit limit is set by the bank. The interest rate may be in the range from 9-14 percent p.a. it is also provided a personal accident insurance with a cover ₹50000 on death and ₹25000 for disability by accident. The paper's conclusion that the Kisan Credit

Card (KCC) is the most effective means of reaching rural India's impoverished and vulnerable farmers is based entirely on secondary data analysis. Recently the Government of India has initiated new scheme as PM-KCC from February 2020 The families will earn short loans on crop and livestock, and fish rearing on timely repayment will have a maximum interest of 4 percent.

RESEARCH GAPS AND NEED OF THE STUDY

1. I have identified the research gaps among the literature review of various authors' research papers and thesis about beneficiaries of Kisan Credit Card (KCC) Some of them are following: -

i) The majority of research has focused on only one facet of the Kisan Credit Card (KCC) credit facility, rather than examining its many facets, including their social and economic impacts.

ii) The Dhanbad area of Jharkhand does not have any research on the Kisan Credit Card (KCC).

2. This study research tries to bridge up some of the most significant research gaps of earlier research. These are: -

i. In the study proposed, four blocks from ten blocks of the district of Dhanbad were attempted to study the socio-economic impacts of Kisan Credit Card (KCCs). This study will be based on certain parameters like impact of income, saving, social status, change in education status, role in society, improvement of cultivation, reduce cost of cultivation and growth of net profit etc.

ii. The proposed study is more comprehensive and covering rural areas and urban areas to make study more effective.

OBJECTIVES OF THE RESEARCH

Objective 1:

- To determine if there has been significant progress in the implementation of the Kisan Credit Card (KCC) scheme in Dhanbad District.

Objective 2:

- To examine the impact of the Kisan Credit Card (KCC) scheme on the agriculture income and productivity of farmers.
  Objective 3:
- To assess the role of the Kisan Credit Card (KCC) scheme in reducing agricultural indebtedness among the farmers.

HYPOTHESIS TO BE TESTED

Here are the hypotheses for the given research objectives:

Objective 1:

Null Hypothesis (H0): There has been no significant progress in the implementation of the Kisan Credit Card (KCC) scheme in Dhanbad District.

Alternative Hypothesis (H1): There has been significant progress in the implementation of the Kisan Credit Card (KCC) scheme in Dhanbad District.

Objective 2:

Null Hypothesis (H0): The Kisan Credit Card (KCC) scheme has not had a significant impact on the agriculture income and productivity of farmers.

Alternative Hypothesis (H1): The Kisan Credit Card (KCC) scheme has had a significant positive impact on the agriculture income and productivity of farmers.

Objective 3:

Null Hypothesis (H0): The Kisan Credit Card (KCC) scheme has not played a significant role in reducing agricultural indebtedness among the farmers.

Alternative Hypothesis (H1): The Kisan Credit Card (KCC) scheme has played a significant role in reducing agricultural indebtedness among the farmers.

RESEARCH METHODOLOGY

The research issue may be more methodically addressed with the help of research technique. It might be seen as a branch of science concerned with the study of scientific research methods. Appropriate approach for carrying out the research is necessary to achieve the study's aims. The research area and the sample technique are covered in this

chapter. What kinds of data will be used, where they will come from, and what kinds of analytical tools will be used.

Study area

The study area Dhanbad district of Jharkhand.

The study of universe:-

All the kisan credit card beneficiaries the study of universe.

PRIMARY DATA

Primary data is collected on the reliable source of data collection. For this study primary data will be collected through questionnaire/schedule for respondents of general people and Gram-Pradhan various panchayat of Dhanbad District. Personal interview will be also conducted to get in depth knowledge and information.

For primary data collection field survey method will be used.

SECONDARY DATA

Additionally, this study will make use of secondary data. Multiple sources will be consulted in order to get secondary data, including

1. NABARD Annual Report
2. RBI Annual Report
3. State Level Banker Committee Report, Jharkhand
4. Lead Bank Report, Dhanbad
5. Ph.D. Thesis
6. Related reference books
7. Journals
8. Various internet links

SELECTION OF SAMPLE

Beneficiaries of the Nationalised Bank which are listed in 2nd schedule of Reserve Bank of India, Regional Rural Bank and Co-operative bank whose branch are in Dhanbad District who are debtor and creditor. Out of 10 blocks, two panchayats of four blocks will be randomly selected.

Sample selection: -Systematic Random Sampling Technique Basis.

TOOLS AND TECHNIQUES OF THE STUDY

This study will centre on the primary and secondary data. Interviews and questionnaires will be used to gather the main data. We will get secondary data from different sources from NABARD Annual Report, Reserve bank of India Report, State Level Banker Committee Report, Lead Bank Report, Ph.D. thesis, related reference books, journals, newspapers, magazine and various internet links. All primary data and secondary data will be tabulated, analysis with some statistical tools and techniques as per requirement like trend analysis, measure of central tendency, standard deviation, percentage, correlation, Regression Analysis, chi square test and other test etc.

SIGNIFICANCE OF PROPOSED WORK

The primary goal of this research was to try to quantify the social and economic effects of the Kisan Credit Card (KCC) on people living in different parts of the Dhanbad district. This was done by looking at variables like income, savings, social status, educational attainment, social role, loan repayment performance, agricultural debt, and loan utilization.

SCOPE AND LIMITATION OF THE STUDY

There are many banks and panchayats in Dhanbad region. Due to time and cost limitation Nationalised Bank, Co-operative Bank and Regional Rural Banks of Dhanbad region randomly will be selected for this study as well as four blocks out of ten blocks of various panchayats of Dhanbad district will be selected for this study

CHAPTERIZATION

CHAPTER: -1

Introduction and theoretical background

CHAPTER:-2

Review of literature

CHAPTER:-3

Research methodology and framework

CHAPTER:-4

A current scenario of Kisan Credit Card scheme in Jharkhand

CHAPTER:-5

Data analysis and interpretation

CHAPTER:-6

Summary of findings, conclusion and recommendation

BIBLIOGRAPHY

1. Kumar, A., Yadav, C., Jee, S., Kumar, S., & Chauhan, S. (2011). Financial innovation in Indian agricultural credit market: Progress and performance of Kisan Credit Card. Indian Journal of Agricultural Economics, 66(902-2016-67328).
2. Parwate, P., Sharma, M. L., & Maske, M. (2012). A study on utilization pattern of Kisan credit card (KCC) among the farmers in Raipur district of Chhattisgarh. International journal of Agronomy and Plant Production, 3(2), 54-58.
3. Sharma, A., Choudhary, S., & Swarnakar, V. K. (2013). A study on impact of Kisan Credit Card scheme among the beneficiary farmers in Sehore district of Madhya Pradesh. International Journal Of Science And Research, 2(1), 154157.
4. Marichamy, K., & Aananthi, N. (2014). Kisan Credit Card–A Boon to Small Farmers in India. Tactful Management Research Journal, 2(8), 1-6.
5. Dwivedi, S., Sunder, S., & Sharma, P. K. (2015). Impact of Kisan Credit Card (KCC) Scheme on Input Use: An Economic Analysis of Non-Basmati Rice Crop. Agro-Economist, 2(2), 45-51.
6. Prakash, P., & Kumar, P. (2016). Performance of Kisan Credit Card scheme in Tamil Nadu. Indian Journal of Agricultural Economics, 71(2), 191-211.
7. Ganaie, N. A., & Rupavath, R. (2017). Impact of Kissan Credit Cards on the Socio-Economic Life of People in Jammu and Kashmir. International Journal of Modern Social Sciences, 6(1), 1-21.
8. Gupta, B. V., Singh, B., & Ranjan, R. (2018). An Economic Evaluation of Kisan Credit Card in Bhabua District of Bihar, India.
9. Nagaveni, M., & Devegowda, S. R. (2019). Performance of Kisan credit card scheme in Chikkaballapur district of Karnataka. IJCS, 7(3), 1365-1374.
10. Suryavanshi, A. G. (2020). Financial Inclusion through Kisan Credit Cards. Studies in Indian Place Names, 40(42), 98-105.